Two sales tax tokens 'go to the cleaner'

By Roger Boye

MORE QUESTIONS from Tribune readers are answered this week.

Q — While cleaning our basement, we found two square coins showing the words "Dept. of Finance" and "State of Illinois." I think they are made of aluminum. Do you know what we have? — T.Y., Rockford

A — During the Depression, a dozen states issued sales tax tokens so their citizens could pay the tax in fractions of a cent. In Illinois, for example, the tokens were worth 1½ mills, a mill being equal to one-tenth of a cent.

But by the late 1940s, inflation and rising tax rates made the tokens all but useless, prompting state governments to take them out of circulation. Today, most sales tax tokens have only a small collector value because they were usually issued in huge quantities and widely circulated.

Q — My series 1969-A $5 bill does not have a margin along two of the four borders on the front side. Is it a rare collectors' item, a phony bill, or worth just $5? — D.M., Chicago

A — The bill is probably authentic, yet it has an unusual printing error. Such items in uncirculated condition may be worth at least $20 to collectors, according to price catalogs. But if even a trace of margin is visible along the two sides, the bill's collector value is reduced.

Q — I'm trying to build a collection of Indian-head pennies by buying old coins from some dealers. I've been pleased with the "merchandise," but I often wonder how much money the dealers are making off me. In other words, what is the average dealer's "profit margin"? — W.R., Evergreen Park

A — The figure varies from coin to coin and from dealer to dealer. However, the "retail price" is usually at least 35 per cent more than the price the dealer paid for the coin. Most dealers tolerate a lower gross profit on popular coins that resell quickly.

The markup may seem substantial, but most dealers have many expenses, including rent of the shop and supplies. And like other businessmen, they want money left over after their bills are paid.